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TECHNICAL PAPER

State Fragility

Enduring Political Divides in South Africa

HANY BESADA

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Technical Paper No.3

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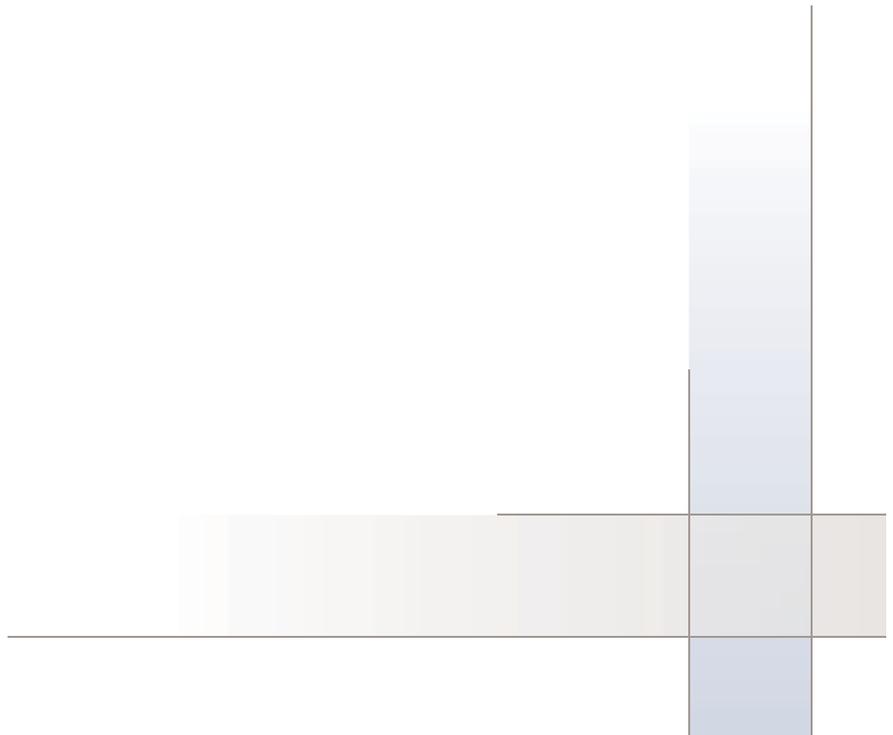
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Thank you for your interest,



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Mr Besada holds a BA and an MA in International Relations from Alliant International University in San Diego, where he specialized in peace and security studies. Before joining CIGI in January 2007, he worked as the Business in Africa Researcher at the South African Institute of International Affairs (SAIIA) in Johannesburg, South Africa. Prior to that, he worked as a research manager at Africa Business Direct, a US-South African trade and investment consulting firm in Johannesburg. He has lived and done field research work on economic and political conditions in over 25 countries across Africa and the Middle East.

While studying in the US, Mr Besada worked for a number of governmental and non-governmental research institutes and offices. These included Amnesty International, the Office of Senator Dianne Feinstein, United Nations Associations and the Joan Kroc Institute of Peace and Justice.

Abstract

This paper offers an assessment of the foreign policy strategies adopted by both the Mandela and Mbeki administrations in their quest to shed the country's image as a former defender of racial segregation, largely dislocated from the global economic system to become the leading defender of multiparty democracy, national reconciliatory processes and economic justice in Sub-Saharan Africa. In detail, it examines the five strategies employed by the ANC government to restore peace and stability to the country while paving a new path for it to embark on as a respected member of the international community.

These include the restoration of a political system based on pluralism, democratic institutions and a new constitution that enshrines the importance of human rights and equality; a well organized process of national reconciliation deemed necessary to heal some of the outstanding perpetual scars of Apartheid; self promotion as the leader of the 'African renaissance'; adherence to the foreign policy principle of 'universality'; assumption of a leadership role in international organizations; and a new shift towards self-driven policy to secure economic interests deemed vital for the national economy. While it reflects some of the foreign policy challenges confronting countries on the sub-continent, it also offers insights into the foreign policy adaptation strategies pursued by emerging powers in other regions of the world.

1. Introduction

Since the end of Apartheid in South Africa, many developments in its transformation from a pariah state to the continent's pivotal state have been remarkable. The ruling African National Congress (ANC) party is quick to point out their achievements, notably the unprecedented rate of economic growth and relative domestic political stability. Today, the international community regards the 'rainbow' nation as a beacon of hope to the rest of the continent and a model for its neighbours – the poverty-stricken Zimbabwe in particular – to emulate and learn from its experiment with a multi-party, multi-ethnic representative democracy.

2. Lasting Traditions of Apartheid

It is imperative to provide an overview of the policies and mechanism employed during the Apartheid era, in order to assess what post-Apartheid South Africa has done to address some of the challenges facing it. Instituted by the South African National Party (NP) in 1948, Apartheid (separateness) sought the separate existence of South Africa's races. Apartheid provided the policy framework for the maintenance of minority rule through the institutionalized segregation of the country along racial lines (Cochran, 2001).

However, methods of classifying and segregating the South African population were evident long before this time, entrenched by centuries of colonialism. With the discovery of diamonds and gold in the 18th century, an urban and industrial society began to emerge out of the old rural society. Nevertheless, it was the experience of the Anglo-Boer War of 1902 and successive conflicts through to the 1930s that separation of the races became ingrained, leading to segregation. European settlers exported their conception of European supremacy and ideas of racial separation. These concepts were used by powerful white-owned mining companies and conglomerates to manage and control their position, while exploiting black labour. However, South Africa's racist policies faced continuous strain during the 1930s and 1940s, largely by the rapid economic growth in the manufacturing sector of the economy, which drove an increasing rate of black urbanization.

Municipal administrators became very concerned that towns had become racial melting pots, due to these demographic shifts. Government insisted that towns belonged to white people, and that they alone should control them. The key piece of legislation of the time was the Natives Urban Area Act of 1923, which was further amended during the 1930s and 1940s. The concept of Apartheid was first used by the NP during the 1948 general election as a platform to capitalize on the fears of white urban settlers. Apartheid was formulated around a central theme of divide and rule, which ensured the survival and dominance of the white minority by segregating the non-white majority, along racial categories, to designated parts of the country. This racial division ensured that the non-white majority would not pose a threat to the white minority in any meaningful way. The framework of such a division would also ensure that the white population, especially the Afrikaner, played a dominant role in politics and subsequently on the social, economic and political privileges that came with it. This was exemplified by the official language policy which limited official recognition to Afrikaans and English, excluding all native languages. Additionally, attempts were made to boost the levels and standards of education amongst the Afrikaners exclusively, by means of a highly compartmentalised system, and top level public sector jobs were designated to Afrikaners.

Apartheid formulated and strictly enforced a system of group categories, based on race, aimed at increasing ethnic diversity amongst the black population. The 1950 Population Registration Act imposed a rigid classification system for the different groups, such as the Zulus, the Xhosas and the Ndebele, to name but a few. The Act also categorized the population into four racial groups, namely Black/African, Indian/Asian, Coloured and White. A national registry of race identification was compiled and a government department was established to apply the law, aimed at classifying every person in the country, who would have to carry a card identifying his or her race.

To further advance its policy of divide and rule, and in an attempt to prevent the emergence of a unified resistance movement, the Apartheid government deliberately created intermediate classifications for the Coloureds (people of mixed race) and for Indians. The preferential treatment given to these two population groups in respect of the distribution of, inter alia, resources, contributed to their internalizing a kind of white racism and a similar condescending attitude towards

the African population. For the Coloured and Indian population groups, this Apartheid strategy entailed an ambiguous but still marginalized position, which had ongoing implications and effects (Henrard, 2003).

As a result, this elaborate system of classification and categorization was implemented by additional pieces of legislation, extending to all aspects of people's lives. The Group Areas Act of 1950 provided for cities and towns to be divided into racial quarters for the different racial groups. In 1953, the NP passed the Reservation of Separate Amenities Act. This legislation enforced racial segregation of public facilities such as post offices, hospitals, banks, public transportation, restaurants, parks, beaches, sporting grounds, hotels, public toilets and libraries. The 1953 Bantu Education Act implemented segregation in education, while the Extension of the University Education Act of 1959 made it very difficult for blacks to enter a white university (Nuttall, 1998).

The above background, focusing on the social and political ills inherited by post-Apartheid South Africa, leads to the discussion which follows; namely what steps the country has taken to address the political grievances and economic hardships of the majority of its citizens. This discussion addresses the successes that the Mandela and Mbeki administrations achieved, as well as the continuing challenges facing the government as it strives to build a new, equitable South Africa.

3. Political Transformation

Constitutional Changes

During the 1980s, the NP began intense negotiations with parties from the resistance movement, such as the ANC. Consequently, during the annual opening of Parliament on 2 February 1994, then-President F.W. De Klerk delivered his historic speech that paved the way for the constitutional negotiations that resulted in the country's first democratic Constitution, as well as the first multi-racial elections in April 1994.

One prevailing issue during the negotiation process was how to draw up a Constitution that all political parties would consent to, so as to successfully govern post-Apartheid South Africa. It was imperative for all political parties

participating in the negotiations that there would be some kind of transitional period, as well as a mechanism to build relations between the different role-players. The NP was favourably disposed towards a one-stage process, whereby it could limit the damage of handing over power, while addressing crucial concerns of, and securing rights for, the white electorate in future. On the other side of the spectrum, the ANC favoured a two-stage process as a means to ensure that the constitutional assembly would be bound by the protracted demands of the non-elected negotiating forum.

After much discussion, the NP accepted the ANC's proposal, whereby both parties would collaboratively draft an interim Constitution before democratic elections took place. The interim Constitution governed the nation through the election and the period of democratic transition. In response to Apartheid's legacy of racial discrimination, its policies of divide and rule, and the intentional exclusion of the non-white majority from political participation and equal economic opportunities, it became evident that emphasis in the permanent Constitution would be placed on social equality for all individuals in all aspects of life, in order to address the ills of Apartheid and help engineer racial integration, democracy and nation-building. Both the 1993 interim Constitution and the 1996 Constitution emphasized the importance of equality as the centrepiece of the post-Apartheid democracy.

More importantly, both Constitutions underlined the need to subscribe to a particular kind of equality, namely one that was described as substantive equality. Substantive equality provides and requires remedial approaches as a means of addressing the inequalities and disadvantages that non-white individuals faced under South Africa's Apartheid practices and at the hand of its discriminatory policies. The principles of affirmative action were included in the 1993 interim Constitution to accommodate the call of the non-white political parties to address the ills of Apartheid, and were later entrenched by the 1996 Constitution.

On a different level, the Constitution made provision for the composition of the Senate, which would comprise 90 members – 9 from each of the provinces. Under the Constitution, the Senate was designed to represent regional and cultural interests, but the chamber had very restricted powers of review over legislation approved by the National Assembly, the lower house of Parliament. The importance

of the Senate was more symbolic than substantive, where it gave formal recognition to regional and ethnic diversity (Barnard, 1991).

After three years of intensive negotiations, much compromise and considerable controversy, South Africa emerged in 1996 with one of the most remarkable, liberal and democratically entrenched Constitutions in the world. The leaders of the various political parties were determined to accommodate the concerns of minorities, while addressing the discriminatory segregation policies of Apartheid. The constitution promoted an atmosphere of inclusiveness, confirming post-Apartheid South Africa's intention to provide positive inputs towards a multi-racial democracy and a successful nation-building project.

Ultimately, the negotiation process, which resulted in the final Constitution, reflected willingness amongst the divergent and historically hostile political parties to set their political aspirations aside and to ensure equal rights for all South Africans. The negotiation process clearly portrayed a willingness to start a new chapter in South African politics, which would make room for racial reconciliation and reconstruction. All of this was made possible by the willingness of the political parties and, more especially, the ANC, to address the concerns of the ruling white minority in the Constitution.

The Truth and Reconciliation Process

Negotiations in the lead-up to the 1993 interim Constitution also considered issues such as how to deal with Apartheid's human rights violations. It became clear that an agreement on amnesty was a pivotal condition for a peaceful transition to a lasting democracy for the country. The interim Constitution stated that there would be no legal reprisals for human rights violations committed under Apartheid legislation. Three indemnity laws, designed to protect returning exiles from political prosecution, as well as secure the release of political prisoners, were passed. The Promotion of National Unity and Reconciliation Act, enacted by Parliament in 1995, stipulated that the principle objective of truth and reconciliation and national unity should be to overcome the injustices of Apartheid. Telling the truth would constitute the central component of the healing process, resulting in the granting of amnesty.

The Act stated four objectives, to be pursued by the Truth and Reconciliation Commission (TRC), over a period of 18 months. These included; 1) the discovery of the causes, nature and scope of gross violations of human rights between 1960 and 1994; 2) the extension of amnesty to those who fully disclosed their involvement in a politically motivated violations of human rights; 3) the identification and location of victims of violations and the design of reparations; and 4) the compilation of a report, which should contain recommendations for measures to prevent any future violation of human rights (Lodge, 2002).

By the end of June 2001, the TRC's work was virtually completed. In an overview, one can take cognisance of a couple of disadvantages and negatives, as well as successful outcomes. The first objective was reached with a comparatively fair amount of success. The Human Rights Violations Committee's work was imperative to the mandate given to the truth-telling process. Specially trained statement-takers were mobilized to obtain information from deponents who had experienced human rights violations. These individuals were assisted in submitting statements, via public meetings, during the visits of fieldworkers to their neighbourhoods, and via public hearings before the TRC. It is noteworthy that the majority of the 76 public hearings were televised. In addition to bringing testimony about human rights violations into the open, it also made provision for the process of communal reconciliation.

As for the second objective, the Amnesty Committee also met with considerable success. It reviewed 7,127 applications concerning human rights violations that had taken place during the period 1 March 1960 to 30 September 1997. By June 1998, the Committee completed its study of 4,443 applications. Of these, 122 received amnesty, while the rest were found not to be politically motivated.

Mixed results accompanied the TRC's third objective. Members of the Reparations Committee performed a remarkable function at the public violation hearings. They provided emotional and moral support to the victims. Their main task was to identify who could qualify for reparations from government. It was concluded that those who had experienced loss of income or injuries as a result of human rights violations were to receive a once-off interim payout of between R2,000 and R5,000, depending on the number of dependants in their households.

Moreover, all victims would receive annual payments of between R18,000 and R22,000 over a six-year period.

As a result, the government began issuing reparation payments to victims for amounts varying between R2,000 and R10,000 in April 1998. However, most of the R320 million allocated to the reparation process had yet to be distributed. This was due to an inability to find applicants, difficulties in opening bank accounts, and accessing which government department was responsible for the distribution of funds. To add to the problem, there was not enough money allocated for the distribution of the larger payouts.

The fourth objective met with considerable disappointment. The ANC was displeased with some of the content of the TRC report. They labelled some findings of the report as being ill-founded and unjust, as it described some of the organization's heroic efforts during the liberation struggle as having been tainted by human rights violations. Therefore, the ANC attempted to block the publication of the final report by means of a court order, which failed to materialize.

Critics of the TRC stress that the process didn't contribute significantly to reconciliation, since there was already evidence of impending reconciliation between the races, as well as continued racial isolation. However, it is important to point out that reconciliation is too complex a set of processes to be accomplished by a single institution, while it is much too early to tell whether South Africa is on a path towards social healing and integration. Comparative generalizations emphasise the fact that South Africa's TRC exemplified a more profound acknowledgement of past injustices than any efforts elsewhere in post-conflict states. The truth-telling process had a positive effect on neighbourhoods and individuals affected by the injustices of Apartheid. The truth and reconciliation process evoked a wider social approval, especially amongst black South Africans. The TRC handled the administration for amnesty with a degree of legitimacy, which helped people overcome their fears of prosecution, while instilling feelings of reconciliation in individuals responsible for social injustices committed during the Apartheid era. On a more profound note, the TRC established a highly important benchmark for taking personal responsibility and accountability for one's actions towards the general public.

The Emergence of a New Foreign Policy

Aside from the above-mentioned processes of political transformation, the implementation of the 1993 interim Constitution brought a profound end to Apartheid's parliamentary sovereignty, replacing it with constitutional supremacy based on the rule of law. Furthermore, it instituted the framework for new Western-styled legislative, executive and judicial bodies at both the provincial and national levels. It also incorporated the former segregated and autonomous black homelands into a new republic.

Millions of South Africans turned out to vote on 26 April 1994 in the country's first multi-racial elections. As expected, the ANC easily won the elections, obtaining 62 per cent of the votes, while the NP and the Inkhata Freedom Party (IFP) respectively won 20 and 10 per cent of the votes. Nelson Mandela's ANC was quickly swept into power as South Africa's first government of national unity. It was the struggle against Apartheid that gave the ANC its greatest political legitimacy. In the words of Lester Venter (1997), "South Africa went through a bust of changes. Indeed, it had been a revolution, albeit a relatively peaceful one. The change from a race-based oligarchy to a non-racial democracy came, not through the barrel of the gun, as many had come to fear, but via negotiations and, ultimately, the ballot box."

Shortly after taking office, President Mandela set about implementing a newly envisaged foreign policy direction for the state, which was viewed by government as a necessary component in the creation of a peaceful and prosperous South Africa. Under the Mandela administration, an emphasis was also placed on having South Africa play a role as a good global citizen. Looking back to the years leading up to 1949, South Africa was generally perceived by policy-makers as a Western state. During the decades of Apartheid, these implicit connotations of liberalism were subsided. While in 1995, the ANC government moved that international organizations recognize South Africa as a developing country, positioning itself in line with its economic and social reality.

As the new government embarked on a clean break with the Apartheid order, Nelson Mandela emphasized the need for a departure from the foreign policies practised during the previous era. He pointed to the need for South Africa to

no longer be an ‘outcast’ in the international arena – a status which had garnered during the Apartheid years. Therefore, South Africa was proclaimed to be a ‘non-aligned’ African state, joining the 131 member-nations of the Non-Aligned Movement (NAM) in 1994, and held the chair position from 1998-2003.¹ During its term of leadership, South Africa sought to move NAM towards a post-Cold War mentality, so as to give a better reflection of the changes in the international system.

When the country was permitted to resume its seat in the UN General Assembly in June 1994, South Africa began to play an active role in debates, particularly within the Group of 77 (G77).² During the Mandela presidency, and continuing throughout his successor’s term of office, South Africa began playing an active role in major international conferences and summits, particularly those that dealt with issues relating to economic development, poverty alleviation and preventable disease control in developing countries. These included the UN Conference on Population and Development (1994); the Fourth World Conference on Women in Beijing (1995); the World Summit on Social Development in Copenhagen (1995); and the World Summit on Sustainable Development in Johannesburg (2002), to name but a few. The country also hosted several international events, such as the United Nations Conference on Trade and Development IX (1995); the Information Society and Development Conference (1995); the Non-Aligned Movement Summit (1998); the Commonwealth Heads of Government Meeting (1999); the World AIDS Summit (2000); and the World Economic Forum on Africa (2007). According to research published by Grant Thornton LLP in 2005, South Africa hosts around 860 international conference events annually, drawing more than 110,000 foreign MICE (meetings, incentives, conferences and exhibitions), with the country moving up to 31st place in the international rankings.

¹ The term “non-alignment” was first used in 1954 by Indian Prime Minister Jawaharlal Nehru during a speech in Colombo, Sri Lanka. The principles that would serve as the basis for the Non-Aligned Movement were: mutual non-aggression; mutual respect for each other's territorial integrity and sovereignty; equality and mutual benefits; mutual non-interference in domestic affairs; and peaceful co-existence. The origin of the Non-Aligned Movement can be traced back to a conference hosted in Bandung, Indonesia in 1955 by the leaders of the Developing World. The world’s “non-aligned” nations declared their reluctance to become involved in the East-West ideological confrontation of the Cold War.

² The Group of 77 at the United Nations (UN), is a loose coalition of developing nations, designed to promote its members' collective economic interests and create an enhanced joint negotiating capacity in the UN. Founded in June 1964 at the United Nations Conference on Trade and Development (UNCTAD) by 77 developing countries, it has since expanded to 130 member countries.

South Africa was, and is still displaying a strong international orientation during the Mandela presidency. The country joined the Commonwealth in June 1994, following its suspension and a resulting absence of 33 years. It also began its full participation in the United Nations system, where it became one of the leading voices, calling for the restructuring of the Security Council, so as to accommodate a greater representation of less developed states.

There has been a subtle shift in South Africa's foreign policy orientation during Thabo Mbeki's presidency. While maintaining its good global citizenship, there has been a greater emphasis on the interests of the African continent and its development, and on South Africa's role in furthering the continent's interests in the international arena. This was done via the utilization of its considerable soft power resources, namely its relative economic advances and resources, as well the international recognition it received for its peaceful transformation to a multi-party, racially inclusive democratic state. And, in so doing, the country recognized the need to get more involved in peace-keeping initiatives on the continent and in reforming African institutions. During Thabo Mbeki's rule, the country has expanded its diplomatic network on the continent. Nowhere else has the dominant influence of the presidency been more obvious than in foreign affairs, with Mbeki himself spending approximately one fifth of each year on foreign missions throughout Africa since his accession.

South Africa, in fact, reassessed its role in leading political integration and economic development on the African continent, so as to fulfil its "African destiny." By 1999, Thabo Mbeki's government expanded on its predecessor's involvement in regional talks on bilateral relations with the Southern African Development Community (SADC), which it had joined in August 1994. South Africa felt an obligation to offer diplomatic support and economic assistance for its neighbouring states, as these states had supported the ANC during the Apartheid struggle. Critics have pointed out that Mbeki's reluctance to pressure Zimbabwe's Robert Mugabe into yielding to international calls for free and fair elections in his homeland reflects South Africa's close alignment to African nations that stood by it during the liberation struggle.

Tom Lodge (2002) has asserted that "through the President's personal preference for co-ordinated multilateral African diplomacy, rather than the unilateral exercise,

South Africa's influence as an arbiter of African continental affairs has increased significantly." This was due to Mbeki's emphasis on negotiating better trade terms and conditions, on continental institution-building, on attracting foreign investment to South Africa and to Africa in general, as well as to expand intra-African trade and co-operation in the fields of good governance and peace and state-building. Thabo Mbeki is widely credited for his efforts in helping to establish the African Union (AU)³, the successor to the widely-discredited Organization of African Unity (OAU), as well as for the launch of the New Partnership for Africa's Development (NEPAD).⁴ He was also applauded for his efforts in helping to resolve the conflicts in the Democratic Republic of Congo, Sudan, Burundi, Rwanda and in Côte d'Ivoire.

Thabo Mbeki's continued engagement in issues affecting the continent ran parallel to his desire to promote South Africa's foreign policy objectives with regard to the global arena. The principal objective was to strengthen South Africa's relations with other regions, which would not only serve its commitment to promote Africa's commercial interests in multilateral institutions, but also the needs of the country's economic development on a bilateral and trilateral basis. On a multilateral level, the country joined a number of interest groups to advocate greater liberalization of global trade, particularly in terms of agricultural products, which are deemed essential to the continent and its economic development. An example has been membership in the Cairns Group, which is comprised of 19 medium agricultural exporting countries, including a number of developing countries from Africa (South Africa); Latin America (Argentina, Bolivia, Brazil,

³ The African Union (AU) is an organization comprising 53 Africa states, established in 2001. Its ultimate goal is to establish a single integrated defense force and currency for the continent. The AU also seeks to form a cabinet for the AU Head of State. The purpose of the Union is to assist in safeguarding Africa's human rights, democracy, and a sustainable economy, through an intricate process of ending all intra-African conflict, while creating an effective common market to boost trade that could help promote economic development across the continent.

⁴ NEPAD is a merger of two plans for the economic regeneration of Africa: the Millennium Partnership for the African Recovery Program (MAP), led by President Mbeki, and the OMEGA Plan for Africa, developed by Senegalese President Abdoulaye Wade. In October 2001, the Heads of State and Government Implementation Committee (HSGIC) finalized the policy framework for the project and called it NEPAD. It is now a program of the AU, with a secretariat in South Africa to co-ordinate and implement its programs. NEPAD's four primary objectives are to eradicate poverty, promote sustainable growth and development, integrate Africa into the world economy, and accelerate the empowerment of women.

Chile, Columbia, Costa Rica, Guatemala, Paraguay, and Uruguay); and Asia (Indonesia, Malaysia, the Philippines and Thailand); as well as three developed states (Australia, Canada and New Zealand).

These countries account for approximately one third of global agricultural exports. The Cairns Group was established in 1986 (although South Africa only joined in 1994), as a result of the increasing frustration it experienced with regard to smaller and medium agricultural exports, caused by the repeated failure of the General Agreement on Tariffs and Trade (GATT) to turn agricultural trade into an effective and manageable multilateral discipline. The disappointing trade negotiations during the Tokyo Round of GATT prompted smaller agricultural exporting states to unite and speak with one voice against the continued practice of the two major agricultural trading powers, namely the European Union and the US, to take unilateral decisions on rules regulating global agricultural trade, resulting in the widespread creation of country-specific exceptions that undermined general trade rules in this sensitive sector. The Cairns Group also sought to limit the instances where agricultural trade negotiations were sidelined from the main global trade negotiations to promote the interests of smaller agricultural exporting states – mainly those in the developing world.

During the 1980s, the Cairns Group was faced with a looming and deepening agricultural trade crisis. Trade disputes and agricultural trade distortions were worsening, while the creditability of the GATT dispute settlement machinery was in jeopardy. This was the result of Western European states, the US and Japan repeatedly blocking the adoption of adverse GATT panel reports, calling for the opening of markets, a reduction in tariffs and the abolition of barriers to agricultural trade, as well as export subsidies. This prompted the Cairns Group to set aside their differences and unite as a negotiating third force to influence terms of trade negotiations during the Uruguay Round. By 1994, South Africa was instrumental in helping to initiate a successful series of agricultural trade negotiations during the Uruguay Round which, in turn, helped transforming GATT into the World Trade Organization (WTO). In particular, South Africa assisted in drafting and implementing the Agreement on Agriculture (AoA). Ratified in 1995, this international treaty of the WTO had three central pillars, namely export subsidies, domestic support for agricultural trade and market access for agricultural products.

The implementation of the AoA forced the large agricultural exporting states of the North to reduce subsidies by approximately 21 per cent by volume and 35 per cent by value, over the next five years leading up to 2000. It also pressured Europe and the US into cutting back on the amount of money spent on agricultural subsidies every year; and it reduced tariff and non-tariff barriers to trade, erected by WTO member states. The AoA required developed states to reduce their tariffs by 36 per cent, with a minimum of 15 per cent per tariff line reduction over a five-year period, while developing states were called upon to cut down their tariffs by 24 per cent, with a minimum of 10 per cent per tariff line reduction over a nine-year period.

On the bilateral and trilateral front, South Africa helped to launch a new approach for South-South co-operation at the 2003 UN General Assembly, which paved the way for a trilateral India-Brazil-South Africa agreement (IBSA). In a declaration at the trilateral meeting in Brasilia, Brazil called for a removal of trade-distorting practices and protectionist policies by improving the multilateral trade system. The trilateral agreement sought to promote increasingly closer co-ordination on global issues between the three major multi-cultural and multi-racial democracies of Africa, South America and Asia, while enhancing trilateral co-operation in sectoral areas, including agriculture, nuclear energy, manufacturing and services. The leaders of three regional powers from the developing world met to discuss a possible trilateral free trade agreement, which would involve the regional trading groups – mainly Mercosur (South American free-trade agreement) and the South African Customs Union (SACU). If signed, this would be the largest free trade agreement in the developing world, and it would affect more than 1.3 billion people in 11 countries.

South Africa has been quick to point out that the IBSA framework demonstrates the capacity and capability of emerging economies to become an integral part of the South-South co-operation, in order to help reduce its dependency on the developed world. As a network for inter-state dialogue on issues of mutual interest, IBSA has been described by South African officials as a remarkable achievement for developing states, in harnessing their collective strengths and advantages, so as to promote their common desire for economic development, poverty alleviation and infrastructural advancement. It combines the strengths of the three emerging markets, namely South Africa's mining expertise, Brazil's agricultural prowess

and India's human resources and information technology skills, as a means of promoting trilateral investment and trade.

With a combined economy of \$1.26 trillion, the IBSA framework is aimed at increasing trilateral trade to more than \$10 billion by the end of 2007. On a bilateral level, India's trade with South Africa to 4 billion in 2005-06, up from \$2.4 billion in 2003-04, while India's bilateral trade with Brazil grew to \$2.5 billion in 2005-06 from just \$589 million in 2003-04. Brazil's trade with South Africa doubled during 2005/06, with an estimated two-way trade between the emerging economies of \$1.5 billion in 2005 (Cherian, 2006).

3. Conclusion

At first glance, it would seem quite apparent that much has been done by the subsequent ANC governments since 1994 to restore multi-party democracy, peace and stability to a country long plagued by decades of civil unrest, racial discrimination, international isolation and economic stagnation. South Africa appears to be a more stable state than it has ever been in its turbulent history. However, the ANC's overly euphoric account of the state of affairs in South Africa does not spark much resonance amongst the bulk of its people who have yet to experience the economic benefits of their country's reintegration into the global system. Many have stopped believing in the promises made in 1994, that the new South African state would not only end white supremacy but, more importantly, address the social and economic impoverishment of the vast majority of its citizens.

Although the country has achieved relative racial peace and made progress in restructuring the economy to ensure macro-economic stability and to attract direct foreign investment, the plight of millions of blacks remains hopelessly dire – as was the case during Apartheid. Racial reconciliation and political pluralism have brought the country political clout and diplomatic respectability within global forums, particularly at the United Nations, the Commonwealth and the African Union, while entrenching political stability. Yet, these same developments have reinforced income inequality and other social ills, which will ultimately, in the long-run, threaten the fragile stability of this young democracy.

With more than 60 per cent of its black population living in poverty, an HIV rate affecting more than 25 per cent of its population, a spiralling crime rate, a brain drain dilemma and a looming land crisis, today South Africa's leaders are on a hasty gallop to try and avert the looming social and economic crisis that threatens its fragile democratic institutions, as well as its ethnic cohesiveness and stability that it has fought so hard to achieve since Apartheid was first introduced in 1948. As the ruling party has come to realize, nation-building is a process in itself and its success largely depends on the ability of the state to bridge the economic and social divide that has separated South Africans for so long.

While blacks understand that the legacy of Apartheid will continue to haunt the nation for decades to come, they are becoming frustrated by the ruling party's slow pace of reform in a number of critical areas, particularly with regard to job creation, crime control and land distribution. The ANC has grappled with the idea that its historical role during the country's Apartheid struggle will not be sufficient to contain the deep-seated frustration of its black electorate indefinitely. The accompanying working paper on South Africa's fragile stability (see Besada, 2007) examines some of the social and economic ills that threaten its hard-earned political freedoms and advancements over the past 13 years. Such a discussion is pertinent if the country hopes to avoid a looming political crisis in the near future.

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